

**CITY OF MORGAN HILL
JOINT SPECIAL AND REGULAR REDEVELOPMENT AGENCY AND
SPECIAL CITY COUNCIL MEETING
MINUTES - APRIL 24, 2002**

CALL TO ORDER

Chairperson/Mayor Kennedy called the meeting to order at 6:30 p.m.

ROLL CALL ATTENDANCE

Present: Chairman/Mayor Kennedy, Agency/Council Members Carr, Chang, Tate
Late: Council/Agency Member Sellers

DECLARATION OF POSTING OF AGENDA

Office Assistant II Malone certified that the meeting's agenda was duly noticed and posted in accordance with Government Code 54954.2

City Council and Redevelopment Agency Action

CLOSED SESSIONS:

Agency Counsel/City Attorney Leichter announced the below listed closed session items. She indicated that she would not be in attendance for Closed Session Item No. 6 and indicated that her attendance should be struck from the agenda as an attendee.

1.

CONFERENCE WITH LEGAL COUNSEL - POTENTIAL AND EXISTING LITIGATION:

CONFERENCE WITH REAL PROPERTY NEGOTIATORS

Legal Authority:	Government Code 54956.8 & 54956.9(a) & (c) (1 potential case)
Real Property(ies) involved:	APN 728-31-007 & 008; 25.50 acres located on the southwesterly side of Cochrane Road (St. Louise Hospital property)
City Negotiators:	Agency Members; Executive Director; Agency Counsel; F. Gale Conner, special counsel; Rutan & Tucker, special counsel
Case Name:	San Jose Christian College v. City of Morgan Hill
Case Numbers:	USDC Northern California No. C01-20857 RMW
Closed Session Topic:	Potential Existing Litigation/Real Estate Negotiations

2.

CONFERENCE WITH LEGAL COUNSEL - ANTICIPATED LITIGATION

Significant Exposure to Initiation of Litigation	
Authority:	Government Code Sections 54956.9(b) & (c)
Number of Potential Cases:	3

3.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority:	Government Code section 54956.9(a)
Name of Case:	Hacienda Valley Mobile Estates v. City of Morgan Hill et al.
Case No :	C 01-20976 PVT, United States District Court, Northern District of California
Attendees :	City Council, City Manager, City Attorney

4.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Name of Case: Kennedy, et al. v. Davis, et al.
Case No: CV 803679, Santa Clara County Superior Court
Attendees: City Council, City Manager, City Attorney

5.

CONFERENCE WITH LEGAL COUNSEL - EXISTING LITIGATION

Authority: Government Code section 54956.9(a)
Name of Cases (3): Santa Teresa Citizen Action Group et al. v. Environmental Appeals
Board of the United States EPA; Santa Teresa Citizens Action Group et
al. v. California Energy Commission; Santa Teresa Citizens Action
Group et al. v. California Energy Commission;
Case No /Court (3): Ninth Circuit Court of Appeals, No. 01-71611; Sacramento County
Superior Court Civil No. 01 CS 01830; California Supreme Court Case
No. S 103019
Attendees: City Council, City Manager, City Attorney

6.

CONFERENCE WITH LABOR NEGOTIATOR

Authority: Government Code Section 54957.6
Agency Negotiators: City Manager; Human Resources Director; ~~City Attorney~~
Employee Organization: Unrepresented Management Employees
Chief of Police
Director of Business Assistance & Housing Services
Director of Community Development
Director of Finance
Director of Public Works/City Engineer
Human Resources Director
Assistant to the City Manager
Council Services and Records Manager
Recreation Manager

Middle Management - Group 1-B

Police Captain
Deputy Director of Public Works
Deputy City Attorney
Deputy Director of Finance
Chief Building Official
Human Resources Supervisor
Planning Manager
Senior Civil Engineer
Budget Manager
Business Assistance and Housing Services Manager
Police Support Services Supervisor
Senior Planner
Utility Systems Manager
Recreation Supervisor
Secretary to the City Manager
Project Manager

Confidential Non-Exempt Employees - Group 1-C

Administrative Analyst
Legal Secretary
Accounting Technician
Human Resources Assistant

OPPORTUNITY FOR PUBLIC COMMENT

Chairman/Mayor Kennedy opened the above listed closed session items to public comment. No comments were offered.

ADJOURN TO CLOSED SESSION

Chairman/Mayor Kennedy adjourned the meeting to closed session at 6:31 p.m.

RECONVENE

Chairman/Mayor Kennedy reconvened the meeting at 7:00 p.m.

CLOSED SESSION ANNOUNCEMENT

City Manager/Executive Director Tewes announced that there was no reportable action taken in closed session.

SILENT INVOCATION

PLEDGE OF ALLEGIANCE

At the invitation of Mayor/Chairman Kennedy, Chief of Police Galvin led the Pledge of Allegiance.

PUBLIC COMMENT

Chairman/Mayor Kennedy opened the floor to comments for items not appearing on this evening's agenda. No comments were offered.

CONSENT CALENDAR:

Redevelopment Agency Action

Action: *On a motion by Agency Member Tate, seconded by Agency Member Sellers, the Agency Board unanimously (5-0-) **Approved** Consent Calendar Items 1 and 2, as follows:*

1. **MARCH 2002 FINANCE & INVESTMENT REPORT**

Action: ***Accepted** and **Filed** Report.*

2. **AMENDMENT TO CONSULTANT AGREEMENT - AUDIT SERVICES**

Action: ***Authorized** The Executive Director to Amend the Contract for Annual Audit Services Extending the Terms of the Agreement for Fiscal Years Ending 2002 and 2003.*

City Council Action

Action: *On a motion by Council Member Tate, seconded by Council Member Sellers, the City Council unanimously (5-0-) Approved Consent Calendar Items 3-5, as follows:*

3. **AMENDMENT TO CONSULTANT AGREEMENT - AUDIT SERVICES**

Action: Authorized *The City Manager to Amend the Contract for Annual Audit Services Extending the Terms of the Agreement for Fiscal Years Ending 2002 and 2003.*

4. **APPROVAL OF RESOLUTION REGARDING CODE ENFORCEMENT APPEAL HEARING**

Action: Adopted *Resolution Upholding Hearing Officer's Code Enforcement Decision and Adopting Findings of Fact, as amended.*

5. **AGREEMENT BETWEEN THE CITY AND INDEPENDENCE DAY INC. (IDI) TO CO-SPONSOR THE JULY FOURTH CELEBRATIONS**

Action: Authorized *the City Manager to Sign the Agreement to Co-sponsor the July Fourth Celebrations and Support Independence Day Inc. by Contributing Funding and In-kind Services Not to Exceed \$14,100.*

Redevelopment Agency and City Council Action

Action: *On a motion by Agency/Council Member Tate, seconded by Agency/Council Member Sellers, the Agency Board/City Council unanimously (5-0-) Approved Consent Calendar Item 6 as follows:*

6. **SPECIAL AND REGULAR CITY COUNCIL AND SPECIAL REDEVELOPMENT AGENCY MEETING MINUTES OF APRIL 10, 2002**

Action: Approved *the minutes as written.*

Council Member Tate stated that one item that was approved under the Consent Calendar was the agreement between the City and IDI to be a co sponsor of the Fourth of July festivities. He indicated that he is a member of the IDI organization, noting that the organization is gearing up for the Fourth of July festivities. He encouraged the community to set aside the Fourth of July for the traditional day of activities that include a 5K run, parade, family festival and fire works display.

Redevelopment Agency Action

OTHER BUSINESS:

7. **LIBRARY-CITY-SCHOOL DISTRICT COOPERATIVE AGREEMENT FOR LIBRARY PROJECT**

Executive Director Tewes presented the staff report, indicating that the Library Building Committee has been working with the School District and the Santa Clara County Library to develop a

Memorandum of Understanding (MOU) on how the three groups would work cooperatively with regards to the proposed new library. He stated that the cooperative agreement is an essential part of the application for Proposition 14, Library Bond funds. He said that a major element of the criteria for awarding Proposition 14 construction funding is that libraries enter into partnerships with school districts. He stated that the agreement has been approved by the School District and will soon be approved by the County Library. He informed the Agency Board that Agency Member Tate has been assigned by the City Council to be the City's liaison in this effort, noting that he is the chairman of the Library Joint Powers authority this year.

Agency Member Tate stated that City Attorney/Agency Counsel Leichter, as well as attorneys for the County Library and School District, finalized the agreement to ensure that all issues were addressed. He stated that he was excited about the effort that has gone into this process. He said that at the School District's Monday night meeting he had the opportunity to speak with a few School District Trustees who indicated that this started out to be a simple process in order to apply for the Library Bond Act. However, it is now felt that this is a good process as the library proposal will enhance the literacy and home schooling programs. He informed the Agency Board that the School District is excited about the project and that they are in full support of the agreement and that the County Library is also supportive of the agreement. He felt that this process has helped to build the partnership between the City and the School District.

Chairman Kennedy opened this item to public comment. No comments were offered.

Recreation Manager Spier presented a general outline for the schedule of making an application for Proposition 14, Library Bond funding. Staff anticipates that once the City receives award notification in December, schematics and the design phase would proceed. She felt that this would be a year process and that construction would commence. She stated that it is staff's hope that two years from December 2002, the Library will be in a new building.

Action: *On a motion by Agency Member Tate and Seconded by Agency Member Carr, the Agency Board unanimously (5-0) **Approved** the Cooperative Agreement for Proposition 14 Library Bond Act Grant Application.*

FUTURE AGENCY/COUNCIL-INITIATED AGENDA ITEMS:

Council Member Tate stated that it was his belief that the City Council requested that staff schedule a general discussion on the Recreation Master Plan approach. He inquired as to the status of the Measure P update schedule and appointment.

Council Member Chang indicated that the City did not receive enough applicants to serve on the proposed Residential Development Control System Update Committee. Therefore, the interviews were canceled and that recruitment efforts have been extended in order to allow additional individuals to submit applications. She stated that this will delay the Council's aggressive schedule.

Council Member Sellers stated that it was felt that there needs to be a right mix on this committee because of the technical and depth of the issues as this is a fairly significant issue to the community. If the City does not have a broad representation on the Commission, the committee would make a

decision that would be taken to the public, only to have the City criticized for not have a true representation of citizens on the committee. He felt that it was crucial that there be a broad-based representation on the committee. Therefore, it was better to wait and end up with a final decision that would be accepted by the community.

City Manager Tewes responded to the Recreation Master Plan issue by stating that over a year ago, the City Council adopted the Parks & Recreation Master Plan which was incorporated into the General Plan. He said that staff implemented the Parks & Recreation Master Plan in the budget. He said that both the capital and operating budgets include proposals to implement this Plan. He indicated that a few weeks ago, the City Council suggested that staff give additional thought to a single park master plan. He said that it is staff's intent to put the cost to do this work in the budget. Staff anticipates that at time of budget presentation to the City Council, there would be conversation about these issues. Therefore, this is the time that staff anticipated that the issue would be agendized as part of budget discussions.

Council Member Tate felt that it was the Council's request to agendize this item to determine whether the City Council wanted to give staff the direction to include funding for the specific park expansion of the master plan into the budget.

Mayor Kennedy inquired if staff would be providing the City Council with an update on operating cost projections on the various recreation facilities (e.g., community center, indoor recreation center, aquatic center, etc.)?

City Manager Tewes responded that staff would have operating cost projections for the community center and the playhouse. However, the indoor recreation center and the aquatics center are not proposed to be opened and operated in the next budget year. Therefore, staff would not have precise numbers for these facilities. He informed the City Council that during the course of the planning and design process, there would be various stages along the way which the City Council receives and provides input. He said that operating cost projections could be updated during the various phases of review but that it is not being proposed to update those as part of the budget process because they are not being operated next budget year.

Mayor Kennedy noted that Council Member Chang requested a five-year operating cost projections.

City Manager Tewes clarified that operating cost projections would be included in the five year projections, but that they would be in generalities.

Council Member Carr noted that the City Council has not made the decision as to who would be the operator of these facilities. Therefore, staff could not return to the City Council with specific numbers.

Council Member Sellers felt that there needs to be separate discussion on recreation services on the broader recreation aspect.

City Manager Tewes felt that the City Council would want to conduct one or more budget workshops on all of the issues.

RECONVENE TO CLOSED SESSION

City Attorney Leichter indicated that it was her understanding that the City Council concluded its discussion of closed session item 6 and that it would reconvene to discuss closed session items 1-5.

Chairman/Mayor Kennedy opened the closed session items to public comment. No comments were offered.

Chairman/Mayor Kennedy adjourned the meeting to closed session at 7:19 p.m.

RECONVENE

Chairman/Mayor Kennedy reconvened the meeting at 8:30 p.m.

CLOSED SESSION ANNOUNCEMENT

Agency Counsel/City Attorney Leichter announced that no reportable action was taken on the above listed closed session items.

ADJOURNMENT

There being no further business, Chairman/Mayor Kennedy adjourned the meeting at 8:31 p.m.

MINUTES RECORDED AND PREPARED BY

IRMA TORREZ, City Clerk/Agency Secretary